

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7107

BILL NUMBER: SB 382

NOTE PREPARED: Feb 28, 2005

BILL AMENDED: Feb 22, 2005

SUBJECT: Alcohol server training.

FIRST AUTHOR: Sen. Alting

FIRST SPONSOR: Rep. Duncan

BILL STATUS: As Passed Senate

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill requires the Alcohol and Tobacco Commission to establish application requirements, fees, standards, and renewal requirements for certification of alcohol server training programs. It establishes requirements for the certification of alcohol server training programs. The bill requires retail permittees to: (1) complete a certified alcohol server training program; (2) ensure that each alcohol server completes a certified alcohol server training program and attends refresher courses; and (3) maintain training verification records.

Effective Date: Upon passage; July 1, 2005.

Explanation of State Expenditures: (Revised) The bill requires that the ATC establish applications, fees, standards, and renewal requirements for certification of alcohol server training programs. It is estimated the increase in administrative costs could be covered using existing staff and resources.

Background: The bill requires retail permittees to:

- (1) complete a certified alcohol server training program;
- (2) ensure that each alcohol server completes a certified alcohol server training program and attends refresher courses; and
- (3) maintain training verification records.

The bill would require approximately 100,000 employees to complete a certified training program before January 1, 2008.

The bill defines a retail permittee as a person who holds a:

- (1) beer retailer's permit under IC 7.1-3-4;
- (2) liquor retailer's permit under IC 7.1-3-9;
- (3) wine retailer's permit under IC 7.1-3-14; or,
- (4) liquor dealer permit under IC 7.1-3-10 for a package liquor store.

Approximately 10,000 retail establishments would be impacted by this bill. While all the bartenders and wait staff employed in these establishments would be required to participate in a training program, the exact number of employees is unknown. There are approximately 100,000 ATC Employee Permit holders in the state. An Employee Permit is required of all clerks in liquor stores, bartenders, wait staff, and managers of establishments that serve alcoholic beverages by the drink.

Under the bill, affected retailers are required to ensure that employees receive training within 90 days of starting work and attend refresher courses. After July 1, 2005, prospective ATC Employee Permit holders must successfully complete a training program prior to receiving a permit. (Wait staff serving alcohol who are under the age of 21 are currently required to receive training before they are employed.)

ATC excise officers currently provide a free voluntary training to approximately 3,000 retailers each year. In addition to the training offered by the ATC, there are private companies that provide server training. There are four known for profit companies that provide training, the average fee for this training is approximately \$30 per person. The number of employees trained by the services is unknown.

The Alcohol and Tobacco Commission is funded with dedicated fee and tax revenue deposited in the Alcohol and Tobacco Commission's Enforcement and Administration Fund. As of the December 27, 2004, the ATC had seven vacancies, including vacancies in five excise officer positions.

Explanation of State Revenues: The bill allows the Commission to fine, suspend, or revoke the permits of the affected retailers and employees for failing to comply with the bill's provisions. Civil penalties for violations of the ATC's rules are deposited in the Commission's Enforcement and Administration Fund.

The bill requires the ATC to establish a fee for training providers to obtain certification. These fees would be deposited in the Commission's Enforcement and Administration Fund.

The bill requires the ATC to issue a certificate to an applicant who:

- (1) files the required application and pays the fees as established by the ATC;
- (2) is a:
 - (A) nonprofit corporation or organization; or
 - (B) for-profit corporation or organization that does not have a pecuniary relationship with the alcoholic beverage industry;
- (4) is not a retail permittee; and,
- (5) meets the requirements of the rules adopted by the ATC under the bill.

Under the bill, the ATC is responsible for setting the renewal date for a certificate. Therefore the amount of fees collected will ultimately be dependant upon the number of applicants, and the administrative actions of the ATC.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Alcohol and Tobacco Commission.

Local Agencies Affected:

Information Sources: David Heath, Commissioner, Alcohol and Tobacco Commission, 232-2444.

Fiscal Analyst: Adam Brown, 317-232-9854.